



General Assembly

Substitute Bill No. 886

January Session, 2015



**AN ACT CONCERNING THE PAYMENT OF MORTGAGE LOAN
PROCEEDS BY WIRE TRANSFER.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2015*) (a) Any person or entity
2 engaged in the business of making first mortgage loans or secondary
3 mortgage loans in this state and licensed in accordance with part I(A)
4 of chapter 668 of the general statutes that chooses to utilize wire
5 transfer to send the loan proceeds to the mortgagee's attorney shall
6 transfer the loan proceeds to the bank that holds the account of the
7 mortgagee's attorney by wire transfer in a timely manner, but not later
8 than the scheduled date and time of the closing of the loan, except that
9 in the case of a mortgage refinancing where any right of rescission
10 under 12 CFR 226.23 has terminated, not later than the disbursement
11 date. In the case of a person or entity engaged in the business of
12 making secondary mortgage loans in this state, the provisions of this
13 subsection shall apply only to secondary mortgage loans to finance the
14 acquisition or initial construction of the mortgagor's principal
15 dwelling.

16 (b) The Banking Commissioner may suspend, revoke or refuse to
17 renew a license pursuant to section 36a-51 of the general statutes
18 issued to a person or entity engaged in the business of making first
19 mortgage loans or secondary mortgage loans in this state and licensed

- 20 in accordance with part I(A) of chapter 668 of the general statutes that
21 fails to comply with subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2015</i>	New section
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Statement of Legislative Commissioners:

In Subsecs. (a) and (b), obsolete references to "part I(B) of chapter 668" were deleted for accuracy and the reference to "part I(A) of chapter 668" was applied to secondary mortgage loans for statutory consistency.

BA *Joint Favorable Subst. C/R*

JUD